

QUESTIONS RELATED TO THE PROPOSED LAKESIDE CENTRE DEVELOPMENT

1. What is the capability of this site to fill out 1 million square feet of commercial development given the potential for other commercial development in Campbell and Bedford Counties?

See Market Study

2. What demographic data/marketing study supports this development and its product mix?

See Market Study

3. What documentation is there to support the tax revenue projections, including a timeline, from this development?

See Market Study and detailed breakdown of revenue projections. These projections have been reviewed by City staff.

4. What evidence is there that certain major retailers already in the area (Target, Lowe's, Best Buy, etc.) are seeking to add additional stores instead of abandoning existing sites?

Target is tied to a 20 yr. lease at the Wards Road location. They are not adding a store to the market to take sales from the away from the Wards Road location, but to capture additional sales on north side of town that is growing and capture lost sales.

Lowe's wants to add a store on this side of town because it is underserved and is fastest growing area.

We are talking to Circuit City instead of Best Buy. Best Buy has a lease obligation that runs for several more years (original lease term 20yrs.).

5. How do you address the issue of cannibalization of sales from other businesses in the region? How much cannibalization is acceptable?

There will be some sales transferred from Wards Road to this location because it will be more convenient for many shoppers.

Usually the first large project to enter a medium size market has the most effect on other businesses. Since Lynchburg has an enclosed mall and considerable retail on Wards Road, we don't expect a significant lose of sales by other small business. We do expect

transfer business from stores on Wards Road as previously mentioned.

The retailers expect to recapture significant retail sales from customers that are currently leaving the market to shop in other locals.

The anchors usually expect a 10% transfer of business to the new location because it is more convenient to some of the existing customers

6. Have letters of intent been signed by any potential tenants for Lakeside Centre?

We have letters from Martin's, Boscov's, Lowe's, Border's and two theaters that don't want their name mentioned as yet.

7. Would the developers be willing to limit the current unlimited, by-right size of the big box footprints by agreeing to a conditional use permit process over a certain size?

No

8. If the site is potentially 70% leased, would the developer consider a denser project with more high end tenants?

We have maximized the site without a parking garage.

To build more space a parking garage would need to be built, that is not economically feasible.

9. What design alternatives are there to what has been called "two strip shopping centers with parking lots and a road between them"?

The City asked us to provide new public road access through this project. In order to meet that requirement, the road can only be placed in the middle of the project. If we move the road to the east or west we loose as much as 50% of our leasable space. Also, local residents wanted the road and traffic screened from their properties. We have used the buildings and landscaping as screening. Our revised conceptual site plan has moved a number of the small shops up closer to the main collector road.

10. What would it take to attract higher end, destination retailers (Dillard's, Lord and Taylor, Brooks Brothers, Bass Pro Shops, Cabala's, Gander Mountain, Whole Foods, etc.) to this site?

Our main objective is to make this as "high end" shopping center as possible. We are trying to capture as much of the "high end" sales as possible where customers are shopping in Charlottesville, Richmond, Greensboro, etc.

We have some interest from Dillard's, but the deal is very expensive. Dillard's requires land be given to them.

Brooks Brothers is a possibility, but Joseph Banks is a much greater possibility.

The market is not large enough for Lord and Taylor or Bass Pro Shops.

Gander Mountain is not an upscale retailer and they probably would not fit into our tenant mix.

Whole Foods needs higher median family incomes than exists in the Lynchburg market.

11. What is the future of big box projects such as this?

Big Box retailers and large concentrations of retail in an open air environment is the future of retail projects. Retailers enjoy the benefit of many other stores being located in the same project. This concentration tends to increase sales per square foot while reducing operation costs.

Enclosed malls are too expensive to operate. Very few enclosed malls are planned in the United States because of this expense.

12. Is there a more cutting edge design or product mix that could work on this site?

We are working with our engineers and architects to provide the most innovative design. This is always an evolving process because of the needs and requirements of the tenants.

13. What about introducing other uses such as office and residential?

Office is being planned for the project.

Residential has been considered but there is no practical location for residential on the site

14. What assurances could be given that the site will not have empty big boxes on it in ten years? Would the developer agree to a bond for the removal of the buildings to promote redevelopment of the site?

All the anchors have 20 years leases with 40 years of options.

No we can not offer a bond for removal.

15. Is Lakeside Centre competing with the other proposed commercial developments in Campbell or Bedford Counties?

There are other potential locations we have considered outside the city. However, all of our anchor stores want to locate at this intersection. This site is superior to County locations and will help keep the development in the City.

16. What is the status of the possible acquisition of the other adjacent tracts of land? What opportunities are presented by the potential of tying the two land areas more closely together through an overall development plan?

We have considered purchasing adjoining tracts, but currently we do not have any commitments on any other properties.